

Education Cabinet and Workforce Development Cabinet Kentucky's jobless rate jumps to 9.8 percent in March

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Editor's Note: Preliminary March and revised February labor market information are included in this release.

FRANKFORT, Ky. — Kentucky's seasonally adjusted preliminary unemployment rate for March 2009 jumped to a 25-year high 9.8 percent from February 2009's revised 9.3 percent, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet. The March rate was the highest in Kentucky since the 9.9 percent jobless rate recorded in January 1984.

"The 9.8 percent March 2009 unemployment rate is 3.9 percentage points higher than the 5.9 percent rate recorded in March 2008," said Justine Detzel, OET chief labor market analyst.

The U.S. seasonally adjusted jobless rate rose from 8.1 percent in February 2009 to 8.5 percent in March 2009, according to the U.S. Department of Labor.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working.

Five of the 11 major nonfarm North American Industry Classification System (NAICS) job sectors reported an employment increase in March 2009, while five decreased and one stayed the same, according to OET. A decline of 2,400 jobs in March 2009 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,798,500. Since March 2008, Kentucky's nonfarm employment has plunged by 62,700.

According to the seasonally adjusted employment data, Kentucky's trade, transportation and utilities sector added 1,600 jobs in March 2009. This area includes retail and wholesale trade, transportation and warehousing businesses and utilities. It is the largest sector in Kentucky with 374,800 employees. Since March 2008, the number of jobs in this sector has fallen by 7,700.

"This represents the first month of employment gains in this sector since August 2008. Retail trade businesses accounted for the rise in the number of jobs, a sign of multiple store openings. In contrast, the transportation, warehousing and utilities industry suffered significant job losses in March 2009," said Detzel.

The state's leisure and hospitality sector reported an employment increase of 1,400 jobs in March 2009. Since March 2008, employment in the sector has increased by 1,100 positions. The leisure and hospitality sector includes arts, entertainment and recreation, accommodations and food services and drinking places industries.

"The majority of the employment gains in March 2009 occurred at accommodation and food services enterprises, which is indicative of numerous restaurant openings. The year-over-year job gains in this sector are concentrated in arts, entertainment and recreation businesses, which reflects a theater opening and an expansion at a recreation facility," said Detzel.

The state's educational and health services sector rose by 1,200 jobs in March 2009. Since last March, the number of jobs in this sector has increased by 3,600. This sector includes private and nonprofit establishments that provide either education and training or health care and social assistance to their clients.

The natural resources and mining sector had 100 more jobs in March 2009. The sector has added 3,100 jobs since March 2008 because of hiring in the coal mining industry.

The state's other services sector, which includes such establishments as repair and maintenance businesses, personal and laundry services, religious organizations and civic and professional

organizations, rose by 100 jobs in March 2009. This sector had 2,600 fewer jobs in March 2009 than March 2008.

The information sector recorded the same number of positions in February 2009 and March 2009. This segment, which includes firms involved in publishing, Internet activities, data processing, broadcasting and news syndication, has lost 400 positions since March 2008.

Kentucky's manufacturing sector lost 2,700 jobs in March 2009. Compared to March 2008, jobs in the sector plummeted by 36,900.

"Kentucky continues to lose manufacturing jobs at a significant pace. This represents the 10th month in a row and the 12th time in the last 13 months that industrial employment has fallen. The lion's share of these job losses occurred in the durable goods subsector, particularly jobs associated with the automobile industry. Since last March, Kentucky has experienced a 15 percent drop in the number of manufacturing jobs," Detzel said.

The number of jobs in the professional and business services sector declined by 1,700 positions in March 2009. This area has lost 4,700 employees since March 2008. The professional and business services sector includes professional, scientific and technical services, management of companies and administrative and support and waste management, including temporary help agencies.

"The job losses since last March are concentrated in administrative and support management enterprises reflecting a prolonged period of fragility in the employment services industry, but professional, scientific and technical services businesses also exhibited job losses during this period," Detzel said.

The construction sector recorded 1,400 fewer positions in March 2009. Since March 2008, employment in the construction sector has plunged by 12,200 positions.

"This is the fifth consecutive month of employment declines, which is a sign of weakness in specialty trade contractors. The debility in the housing market and financial difficulties halting construction projects contributed to the contraction in this sector," Detzel said.

The financial activities sector recorded a loss of 900 positions in March 2009. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has dropped 2,000 positions over the past 12 months.

The government sector, which includes public education, public administration agencies and state-owned hospitals, decreased by 100 positions in March 2009. The sector has 4,000 fewer jobs compared to March 2008.

The U.S. Bureau of Labor Statistics' monthly estimate of the number of employed Kentuckians for March 2009 was 1,877,613 on a seasonally adjusted basis. This figure is down 10,288 from the 1,887,901 employed in February 2009, and down 34,678 from the 1,912,291 employed in March 2008.

The monthly estimate of the number of unemployed Kentuckians for March 2009 was 204,519, up 11,797 from the 192,722 Kentuckians unemployed in February 2009, and up 85,410 from the 119,109 unemployed in March 2008.

The monthly estimate of the number of Kentuckians in the civilian labor force for March 2009 was 2,082,132. This figure is up 1,509 from the 2,080,623 recorded in February 2009, and up 50,732 from the 2,031,400 recorded for March 2008.

Civilian labor force statistics include non-military workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at www.workforce.ky.gov.

A complementary experimental hours and earnings series is available at <http://www.bls.gov/sae/saeaepp.htm>.

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